

SUMMARY OF CHANGES

Department of Defense Financial Management Regulation, Volume 5

Definitions

Definition 2. Adds a new definition for accountable individual.

Definition 15. Updates the definition of certifying officer to add pecuniary liability associated with certifications.

Definition 23. Revises the definition of commander to include United States Property and Fiscal Officer (National Guard).

Definition 27. Defines contingency operations.

Definition 29. Updates the definition of control to advise that authority to issue control checks terminated effective September 30, 1998.

Definition 35. Revises the definitions of currency use payments and U. S.-owned foreign currency, reflecting the fact that the Treasury requirement to make annual determinations of excess currencies was removed by Public Law 101-624.

Definition 40. Provides additional information on a delinquent debt.

Definition 47. Clarifies that checks are issued on the United States Treasury vice the Treasurer of the United States.

Definition 51. Defines Department of Defense (DoD) activities.

Definition 57. Revises the definition of Electronic Funds Transfer (EFT).

Definition 61. Defines facsimile signature.

Definition 62. Defines Financial Electronic Data Interchange (FEDI).

Definition 70. Revises the definition of an imprest fund.

Definition 85. Expands the definition of the On-Line Payment and Collection System (OPAC).

Definition 86. Adds a definition for operating location (OPLOC).

Definition 88. Defines original signature.

Definition 99. Expands the definition for a physical loss of funds.

Definition 104. Adds a definition for replacement check due to the elimination of control checks.

Definition 108. Adds a definition for safekeeping custodial officer.

Definition 111. Revises the definition of a spoiled check due to the elimination of control checks.

Definition 115. Updates the definition of Treasury General Account to make it consistent with the Treasury Financial Manual.

Definition 116. Updates the definition of U.S.-owned foreign currency to remove the references to excess and near-excess currency.

Definition 123. Corrects definition of a voided check.

Chapter 1

Subparagraphs 010202.A.1, 010202.C.1 and 010202.E.1. Revises these subparagraphs to identify the military pay system as Defense Joint Military Pay System (DJMS) and the Marine Corps Total Force Pay System (MCTFS) vice JUMPS.

Section 0103. Adds a new section establishing pre- and post-payment audit requirements for disbursement vouchers. Former sections 0103 through 0106 are renumbered 0104 through 0107 accordingly.

Subparagraphs 010403.B.2 and B.3, paragraph 010404, subparagraph 010502.A, 010502.B.2, paragraph 010503, subparagraph 010604.H. Changes were made to these paragraphs to reflect the transfer of General Accounting Office functions in regards to determining the responsible office for claims advance decisions, requests for relief of liability and waivers.

Subparagraph 010403.C.2. Adds the requirement for disbursing officers (DOs) to implement mandatory internal controls to facilitate successful EFT payments.

Paragraph 010505. Clarifies that only DFAS DOs are required to follow the DFAS Internal Management Control Program. It does, however, require that DOs in other DoD Components establish internal controls consistent with the guidance prescribed in this paragraph.

Chapter 2

Subparagraph 020102.E. Brings this subparagraph into agreement with section 0702 concerning check ordering/reordering timeframes.

Subparagraph 020105.B and paragraph 020106. Requires that the Department of the Treasury be notified upon commencement of disbursing operations or upon a change in designation or location of disbursing station symbol number.

Subparagraph 020201.C.3. Adds a Treasury Department requirement that once a disbursing station symbol number is deactivated, the symbol may not be used for any purpose other than

transactions necessary to settle the account. Former subparagraphs 020201.C.3 through 020201.C.6 are renumbered as 020201.C.4 through 020201.C.7.

Section 0203. Changes title to reflect the inclusion of all accountable positions in the guidance given for holding public funds.

Subparagraph 020305.A. Modifies this paragraph to advise all DOs to request at least one deputy DO position and that the DO must personally sign the request for all deputy positions.

Subparagraph 020305.C. Requires that the separation of duties provisions in paragraph 010506 are maximized when appointing deputy DOs.

Subparagraph 020402.A.8. Reiterates the Treasury Department requirement that deposit fund account **F3880 must be cleared as expeditiously as possible.

Paragraph 020901. Revises paragraph to state that section 0209 prescribes DoD policies and procedures for use of imprest funds.

Paragraph 020902. Revises paragraph to state the authority, effective date, and specific DoD policy on imprest funds. The revision provides the procedures and criteria for exceptions to, or deviations from the policy. The revision also provides alternatives to be used for making small purchases in lieu of imprest funds.

Paragraph 020903. Revises paragraph to be consistent with the policy for establishment of imprest funds as stated in paragraph 020902.

Subparagraph 020904.A. Corrects grammatical error.

Subparagraph 020904.B. Corrects grammatical error.

Subparagraph 020904.B.1. Revises subparagraph to be consistent with paragraph 020903 regarding declaration of overseas contingencies.

Subparagraph 020904.C. Corrects grammatical error.

Subparagraph 020904.C.4.a. Clarifies the restriction on use of imprest funds to make travel advances.

Subparagraph 020905.A. Specifies that the document approving establishment of an imprest fund must be kept on file with the document appointing the imprest fund cashier and prescribes the distribution of the documents.

Subparagraph 020905.B. Requires that a signed copy of the document approving establishment of an imprest fund and a signed copy of the document appointing the imprest fund cashier must be furnished to the disbursing officer to obtain an advance of funds.

Subparagraphs 020905.C, 020906.B, 020906.F.4, and 020906.G. Corrects grammatical errors.

Subparagraph 020906.I. Revises subparagraph to be consistent with the authority to establish an imprest fund as stated in paragraph 020902.

Paragraph 020907. Designates the Director for Financial Commerce, OUSD(C), as the approval authority through the Deputy Director for Finance, DFAS, for establishment of an imprest fund depository demand withdrawal account.

Subparagraph 020907.J. Makes the distribution of SF 1149 (Statement of Designated Depository Account) consistent with the authority to approve and establish an imprest fund as stated in 020902.

Paragraph 020908. Revises paragraph to make procedures for requesting deviation from imprest fund policies consistent with the policy stated in paragraph 020902.

Section 0210. Adds a new section titled Accommodation Checks. Renumbers sections 0210 and 0211 as 0211 and 0212 respectively.

Section 0211. (Formerly section 0210). Deletes the restriction on alternate paying agents in the absence of paying agents.

Section 0212. Former Section 0212 titled Certifying Officers deleted. Certifying Officer data is now located in chapter 33, August 1998.

Chapter 3

Subparagraph 030101.C. Specifies that EFT is the prescribed method of payment within the United States and its possessions.

Paragraph 030103. Revises this paragraph to specifically indicate that deputies, agents, and cashiers referenced therein refer only to deputies, agents, and cashiers of the disbursing officer.

Paragraph 030104. Clarifies that imprest funds and change funds are not to be included in the disbursing officer's request for cash holding authority.

Subparagraph 030105.A. Clarifies the inclusion of all deputies, agents, and cashiers of the disbursing officer when determining cash requirements.

Subparagraphs 030105.A.3 and 030105.A.4. Replaces the terms "frequent traveler" and "non-frequent traveler" with "cardholder" and "non-cardholder".

Subparagraph 030201.D.1. Clarifies the guidelines for submission of a cash verification team report.

Subparagraph 030302.B.3. Clarifies disbursing office security requirements.

Subparagraph 030305.B. Clarifies the meaning of paid vouchers representing cash to include vouchers representing payments and collections.

Subparagraph 030404.D. Specifies that unannounced inspections of change funds are required at least quarterly.

Section 0306. Deletes specific references to the American Express Travelers Check program and makes the information generic throughout.

Chapter 4

Subparagraphs 040105.B, 040105.D, and 040105.E. Adds restrictions for cashing multiple party checks.

Paragraph 040102 and subparagraph 040201.C. Includes credit unions among the list of financial institutions that issue negotiable instruments which disbursing officers are authorized to cash.

Subparagraph 040104.K. Adds the Under Secretary of Defense (Comptroller) requirement to provide cash to overseas branches of federal credit unions on DoD installations.

Subparagraph 040201.D.1.b.2. Deletes the restriction on having a two-lined stamp.

Section 0403. Clarifies the accountability of dishonored checks and brings the section (specifically paragraphs 040301, 040302, and 040303) in compliance with GAO guidance.

Section 040401. Clarifies the information in regards to offsetting gains and losses against the appropriate fiscal year.

Figure 4-2. Provides an example of DD Form 2761 (Personal Check Cashing Agreement),

Chapter 5

Subparagraph 050102.B. Clarifies the purpose and use of general depositaries for consistency with the Treasury Financial Manual.

Paragraph 050205. Combines former paragraphs 050205 and 050206 and incorporates Treasury Department requirements for reporting large deposits as announced in Transmittal Letter Number 563, dated April 16, 1996. The remainder of the section is renumbered accordingly creating new paragraphs 050206 through 050210.

Subparagraph 050301.A. Clarifies general preparation procedures for the SF 215, Deposit Ticket.

Section 0504. Rewrites the entire section on Deposit Reconciliation in lieu of new Treasury Guidelines.

Paragraph 050505. Updates the address for the Bureau of the Public Debt.

Paragraph 050705. Adds a paragraph of miscellaneous cases involving counterfeit or altered U. S. currency.

Chapter 6

Subparagraph 060301.A. Clarifies that wrongful conduct that results in a physical loss of funds is treated as a major loss, regardless of the amount involved. Also, specifies the same as it relates to disbursing personnel.

Paragraph 060307. Deletes the reference to the deposit fund account **F3878.

Paragraph 060401, subparagraphs 060402.C, 060402.C.1, 060402.C.2, paragraph 060503, and figure 6-1. Changes the dollar amount considered to be a minor loss of funds from \$25 to \$300.

Subparagraphs 060402.C.1.1 and 060402.C.2.o. Adds the requirement for a statement by the accountable individual as part of the investigatory report for a loss of funds.

Subparagraph 060402.G. Provides the appeal (rebuttal) process for individuals held liable for small losses.

Paragraph 060601. Changes the deposit fund account appropriation.

Paragraph 060601 and subparagraph 060602.F. Includes instructions for recording the final disposition of overages on the DD Form 2667.

Paragraph 060702.E.4, 060801, 060803, 060902, 060903, 061002, and figure 6-2. Changes were made to these paragraphs to reflect the transfer of General Accounting Office functions in regards to determining the responsible office for claims advance decisions, requests for relief of liability and waivers.

Paragraphs 061001 and 061003. A sentence was deleted from each paragraph which implied that the appointment of an investigating officer is optional when considering requests for relief.

Figure 6-4. Changes the example to reflect the clarification made to paragraph 060301.A.

Chapter 7

Paragraph 070103, 070104.B, and 070110. Deletes references to control checks.

Paragraph 070109. Deletes the requirement for a quarterly inventory.

Paragraph 070201. Adds quantity requirements for ordering U. S. Treasury check stock and Treasury check printing order cancellation notification requirements.

Paragraph 070202. Expands the emergency check process guidance for creating emergency check stock and its use under emergency conditions.

Subparagraph 070203.A. Updates the notification procedures for the shipment of Treasury checks by the printing contractor.

Paragraph 070302. Revises paragraph to incorporate Treasury requirements for reporting large disbursements as announced in Transmittal Letter Number 563, dated April 16, 1996.

Chapter 8

Section 0802, figure 8-2. Deletes references to control checks.

Subparagraph 080201.A. Changes the marking for a spoiled check. Spoiled checks no longer are sent to the Treasury Department; therefore, control numbers are no longer needed.

Subparagraphs 080201.B and 080203.C. Reflects the Treasury Department maximum size stipulation for shredded U. S. Treasury checks.

Subparagraph 080203.C.3. Changes the disbursing officer's file retention requirement for the Certificate of Destruction for U. S. Treasury checks.

Subparagraph 080403.A.2. Deletes the requirement to use registered mail for returning undelivered checks to the disbursing officer.

Subparagraph 080506.B. Clarifies some conditions for issuing a recertified check.

Paragraphs 080302, 080507, 080508, subparagraph 080508.B.7, paragraphs 080511, 080512, table 8-1, and table 8-2. Changes information therein necessitated by the Defense Check Reconciliation Module.

Subparagraphs 080508.A and 080705.A. Provides information for obtaining and using a perforated version of the SF 1184 (Unavailable Check Cancellation).

Chapter 9

Sections 0901 and 0902. These two sections are rewritten to reflect the requirement to use the Defense Check Reconciliation Module for check issue reporting.

Subparagraph 090403.B. Includes telephone numbers that cannot be used on check issue summary reports.

Paragraph 090404. The term "OPLOC" (operating location) replaces "FIPC" (financial input processing center) in specifying where Navy and Marine Corps check-issue reports are submitted.

Paragraphs 090405 through 090408. Removes references to control checks.

Chapter 10

Paragraph 100102. Revises paragraph to expand the definition of receipts.

Subparagraph 100105.B. Includes **X6875, deposit fund account, as a valid fund for depositing collections.

Subparagraph 100302.B. Clarifies information on clearing component bills.

Paragraph 100304. Cites the budget clearing account vice the deposit fund account when processing overages.

Paragraph 100307.C. Gives a more specific reference concerning safeguarding collections and supporting documents.

Subparagraph 100401.C. Cites the budget clearing account vice the deposit fund account when processing collections. Also cites provisions for using the Treasury Miscellaneous Receipt Account.

Chapter 11

Paragraph 110101. Specifies that EFT is the prescribed method of payment for all government disbursements within the Department of Defense.

Subparagraph 110102.A. Allows facsimile copies of travel vouchers and supporting documentation to be used in lieu of originals.

Subparagraph 110102.C. Identifies a more specific reference concerning storing vouchers.

Subparagraph 110302.A. Includes the SF 1081 as a form that may be used to disburse funds from the budget clearing account **F3875.

Section 1106. Adds a new section to incorporate Treasury Department requirements for advance reporting of large disbursements by check or EFT, advance reporting of U. S. military EFT payrolls, and daily reporting of EFT payments to vendors.

Section 1107. Adds a new section addressing paying invoices with the government purchase card, currently known as the International Merchant Purchase Authorization Card (IMPAC).

Chapter 12

Paragraph 120101, subparagraphs 120104.B and 120104.C, paragraph 120202, subparagraphs 120203.C and 120203.D, paragraph 120204, and subparagraph 120304.F. Revises these paragraphs to remove references to excess and near-excess currencies. Public Law 101-624

removed the requirement for the Treasury Department to make determinations of excess and near-excess currencies.

Paragraph 120201. Adds new subparagraph 120201.C to provide citation for specific financial policies and procedures prescribed by the USD(C).

Paragraph 120202. Subparagraphs 120202.B and 120202.C deleted. Subparagraph 120202.A renumbered as paragraph 120202.

Subparagraph 120203.A. Revises first sentence to state that consultation with the Treasury Department should be only when there are deviations.

Subparagraph 120203.B. Revises subparagraph to correct the requirement to indicate that all international agreements do not have to be notified to Director for Financial Commerce.

Subparagraph 120203.C. Renumbers subparagraph as paragraph 120204 to align the text with the section.

Subparagraph 120203.D. Renumbers subparagraph as paragraph 120205 to align the text with the section.

Paragraph 120204. Renumbers existing paragraph as subparagraph 120205.E since the delegation falls under the travel and transportation procedures.

Chapter 13

Paragraph 130302. Deletes the reference to excess and near-excess currencies in accordance with Public Law 101-624 which removed the requirement for the Treasury Department to make determinations of excess and near-excess currencies.

Subparagraph 130306.B. Updates the address and phone number for Citibank as it pertains to depositing instruments drawn on foreign banks payable in U. S. dollars through foreign banks.

Paragraph 130309. Revises the handling procedures for mutilated or unfit foreign currency.

Section 1304. Rewrites the entire section to clarify procedures for determining the Treasury Department prevailing rate of exchange for foreign currency. Additionally, deletes figure 13-3 and renumbers former figure 13-4.

Chapter 14

Paragraph 140102. Updates the address and phone number for the Financial Management Service as it pertains to requesting a limited depositary account.

Paragraph 140303. Adds the requirement to review local banking laws and Status of Forces Agreements when mailing checks outside of the country where the limited depository account is located.

Paragraph 140403 and subparagraph 140403.A. Removes references to control checks.

Chapter 15

Paragraphs 150104 and 150307. Deletes references to excess and near-excess currencies in accordance with Public Law 101-624 which removed the requirement for the Treasury Department to make determinations of excess and near-excess currencies.

Chapter 18

Subparagraph 180201.D. Removes the reference to control checks.

Chapter 19

Subparagraph 190102.A and paragraph 190105. Clarifies when DOs or their primary deputies are required to perform actual cash counts of negotiable instruments.

Subparagraph 190102.C. Adds a new provision to address submission of the DD Form 2665 by deputies, agents, and cashiers at remote locations.

Paragraphs 190104 and 190301. Clarifies that deputies, agents, and cashiers need to submit DD Forms 2665 only for the days during which they transact business.

Subparagraph 190204.H. Clarifies the requirements and procedures for reporting OPAC transactions on the DD Form 2657.

Subparagraph 190305.E. Adds information to clarify that subagent funds are to be included on the DD Form 2665.

Subparagraph 190309.E. Removes the reference to control checks.

Subparagraph 190503.A.6. Clarifies the requirements and procedures for reporting OPAC transactions on the SF 1219.

Subparagraphs 190506.C through 190506.C.4. Deletes these paragraphs because the Summary Report is no longer required.

Section 1906. Adds a new section to incorporate Treasury Department requirements for reporting large deposits and disbursements of military pay, military retired pay, and vendor pay by EFT.

Chapter 20

Paragraphs 200101 and 200204 and subparagraph 200403.G. Specifies that using registered or certified mail is not required when shipping disbursing officer reports and records.

Paragraph 200203 and subparagraph 200303.A. Deletes the reference to registry receipts for disbursing officer reports and records since shipment by registered or certified mail is no longer required.

Paragraph 200301, subparagraphs 200303.B, 200303.C, and 200303.D. Deletes the requirement to submit original vouchers.

Subparagraph 200303.C. Specifies that using registered or certified mail is not required when shipping disbursing officer vouchers.

Paragraphs 200501 and 200502. Changes the requirements for submitting financial reports for Navy disbursing officers.

Subparagraphs 200502.A and 200502.B. Deletes these subparagraphs as no longer applicable due to the change of requirements in paragraph 200502.

Chapter 22

Section 2201. The change directs a shared responsibility when the settlement function for a deactivated disbursing office is transferred between DFAS Centers.

Chapter 23

Paragraph 230402 and subparagraph 230402.C. Deletes references to excess and near excess currencies in accordance with Public Law 101-624 which removed the requirement for the Treasury to make determinations of excess and near-excess currencies.

Subparagraph 231001.E. Removes the requirement that military personnel must submit requests for release of savings bonds over an original signature only.

Chapter 24

Section 2402. Extensively updates the information on EFT. Paragraph 240201 is rewritten. New paragraph 240202 provides the implementing guidance to administer the DoD financial policy for mandatory EFT of all Federal payments. Former paragraph 240202 is renumbered as 240203. A new paragraph, 240204, is added to incorporate Treasury Department requirements for advance reporting of large disbursements by EFT. Former paragraph 240203 is renumbered as 240205 and additional mandatory EFT guidance is added. Lastly, another new paragraph, 240206, is added providing procedures to account for EFT payments that are returned by financial institutions.

Paragraph 240301. Updates the paragraph to reflect the new payment guidelines for vendors.

Section 2404. Adds a new section Government Purchase Cards.

Section 2405. Renumbers former section 2404 which is retitled Plastic Card Collections. The information therein is revised in its entirety.

Section 2406. Renumbers former section 2405.

Section 2407. Renumbers former section 2406 and updates the entire section concerning instructions and procedures for OPAC.

Chapter 25

Changes made throughout the chapter to reflect the transfer of General Accounting Office functions in regards to determining the responsible office for claims advance decisions, requests for relief of liability and waivers.

Chapter 26

Rewrites entire chapter to reflect substantial changes in the Automated Teller Machine (ATM) system.

Chapter 27

Changes made throughout the chapter to reflect changes in the ATM system.

Chapter 28

Paragraph 280101. Corrects reference to sovereign debt collection procedures.

Paragraph 280217. Adds additional information on collecting delinquent debts. Also adds a reference to the new figure 28-1.

Chapter 29

Section 2901. Adds new section which reiterates the applicability of the debt management procedures. Renumbers the rest of the chapter accordingly.

Subparagraph 290203.I. Deletes former subparagraph 290203.I and renumbers 290203.J.

Paragraph 290301. Clarifies the use of financial statements within the debt record.

Chapter 30

Section 3001. Adds new section which reiterates the applicability of the debt management procedures. Renumbers the rest of the chapter accordingly.

Paragraphs 300205, 200206, and 300405. Revises procedures for processing salary offsets for debts.

Paragraphs 300404, 300501, and 300503. Eliminates redundant procedures concerning validation and confirmation of debts by a DoD Component, or other federal agency, from which salary offset was requested.

Chapter 31

Section 3101. Adds new section which reiterates the applicability of the debt management procedures. Renumbers the rest of the chapter accordingly.

Paragraphs 310102, 310107, 310203, and 310204. Changes the word “will” to “may” in each instance concerning compromise or suspension of debt.

Paragraph 310303 and subparagraph 310303.C. Revises some information on debt close out.

Chapter 32

Section 3201. Adds new section which reiterates the applicability of the debt management procedures. Renumbers the rest of the chapter accordingly.

Appendix A

Subparagraphs A.2.f, A.2.g, B.4, B.4, B.15.a through B.15.g and C.4. Revises information therein to reflect the changes in the ATM system.

Appendix B

Adds a new address for the Head Office of the Federal Reserve Bank of New York.

Updates the information for the Jacksonville, FL branch of the Atlanta Federal Reserve.

Appendix C

Paragraph D and subparagraph E.3. Updates information due to the transfer of General Accounting Office functions in regards to determining the responsible office for claims advance decisions, requests for relief of liability and waivers.

Appendix D

Adds a new appendix, Navy Disbursing Operations, addressing Navy-unique disbursing functions.

Appendix E

Add a new appendix identifying the responsible offices for claims, advance decisions, requests for relief of liability and waivers.